

# HOUSE BILL No. 1062

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 24-4-9.

**Synopsis:** Vehicle rentals. Specifies that certain costs and expenses related to vehicle rental are separate from an administrative charge. Specifies fixed administrative charges. Allows a vehicle rental company to collect from the renter payment of not more than \$500 upon return of a damaged vehicle.

**Effective:** July 1, 2015.

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## Lehman

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January 6, 2015, read first time and referred to Committee on Commerce, Small Business and Economic Development.

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First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## HOUSE BILL No. 1062

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A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1       SECTION 1. IC 24-4-9-13, AS AMENDED BY P.L.19-2005,  
2       SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       JULY 1, 2015]: Sec. 13. A rental company and renter may agree that  
4       the renter will be responsible for no more than all of the following:  
5               (1) Physical damage to the rented vehicle up to its fair market  
6               value regardless of the cause of damage.  
7               (2) Mechanical damage to the rental vehicle, up to and including  
8               the rental vehicle's fair market value, resulting from:  
9                       (A) a collision;  
10                      (B) an impact; or  
11                      (C) another incident that is caused by the renter's or authorized  
12               driver's deliberate act.  
13               (3) Loss due to theft of the rental vehicle up to its fair market  
14               value. However, the renter shall be presumed to have no liability  
15               for any loss due to theft if the renter or authorized driver:



(A) has possession of the ignition key furnished by the rental company or establishes that the ignition key furnished by the rental company was not in the vehicle at the time of the theft; and

(B) files an official report of the theft with the police or other law enforcement agency within twenty-four (24) hours of learning of the theft and reasonably cooperates with the rental company, police, and other law enforcement agency in providing information concerning the theft.

The presumption set forth in this subdivision is a presumption affecting the burden of proof, which the rental company may rebut by establishing that a renter or other authorized driver committed or aided and abetted in the commission of the theft.

(4) Physical damage to the rented vehicle up to its fair market value resulting from vandalism occurring after, or in connection with, the theft of the rented vehicle. However, the renter is presumed to have no liability for any loss due to vandalism if the renter or authorized driver:

(A) has possession of the ignition key furnished by the rental company or establishes that the ignition key furnished by the rental company was not in the vehicle at the time of the vandalism; and

(B) files an official report of the vandalism with the police or other law enforcement agency within twenty-four (24) hours of learning of the vandalism and reasonably cooperates with the rental company, police, and other law enforcement agency in providing information concerning the vandalism.

The presumption set forth in this subdivision is a presumption affecting the burden of proof, which the rental company may rebut by establishing that a renter or other authorized driver committed or aided and abetted in the commission of the vandalism.

(5) Physical damage to the rented vehicle and loss of use of the rented vehicle up to its fair market value resulting from vandalism unrelated to the theft of the rented vehicle.

(6) Loss of use of the rented vehicle, if the renter is liable for damage.

(7) Actual charges for towing, storage, and impoundment fees paid by the rental company, if the renter is liable for damage.

(8) Reasonable attorney's fees related to the enforcement of the rental agreement.

(9) An administrative charge. ~~including~~



(10) The cost of appraisal and all other costs and expenses incident to the damage, loss, loss of use, repair, or replacement of the rented vehicle.

SECTION 2. IC 24-4-9-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 14. (a) The total amount of the renter's liability to the rental company resulting from damage to the rented vehicle may not exceed the sum of the following:

(1) The estimated cost of replacement parts that the rental company would have to pay to replace damaged vehicle parts, less all discounts and price reductions or adjustments that will be received by the rental company.

(2) The estimated cost of labor to replace damaged vehicle parts, which may not exceed the product of:

(A) the rate for labor usually paid by the rental company to replace vehicle parts of the type that were damaged; and

(B) the estimated time for replacement;

less all discounts and price reductions or adjustments that will be received by the rental company.

(3) The estimated cost of labor to repair damaged vehicle parts, which may not exceed the lesser of the following:

(A) The product of the rate for labor usually paid by the rental company to repair vehicle parts of the type that were damaged and the estimated time for repair.

(B) The sum of the estimated labor and parts costs determined under subdivisions (1) and (2) to replace the same vehicle parts.

All discounts and price reductions or adjustments that will be received by the rental company must be taken into account in determining the figure under this subdivision.

(4) Except as otherwise provided for, the loss of the use of the rented vehicle, which may not exceed the product of:

(A) the rental rate stated in the rental agreement for the particular vehicle rented, excluding optional charges; and

(B) the total of the estimated time for replacement and estimated time for repair.

(5) Actual charges for towing, storage, and impound fees paid by the rental company.

(b) Under any circumstances described in this chapter, liability for the rental company's loss of use of the rented vehicle may not exceed the product of:

(1) the rental rate stated in the rental agreement for the particular vehicle rented, excluding all optional charges; and



(2) eighty percent (80%) of the period from the date of the accident to the date the vehicle is ready to be returned to rental service.

However, a renter is not liable to a rental company for the loss of use of a damaged vehicle unless the renter uses its best efforts to effect repairs and return the vehicle to rental service.

(c) The administrative charge described in section 13(9) of this chapter may not exceed:

(1) ~~ten percent (10%) of fifty dollars (\$50) if the total estimated cost for parts and labor if the damage is one thousand five hundred dollars (\$1,500) or is less or~~

(2) ~~the amount specified in subdivision (1) plus seven and one-half percent (7 1/2%) of the amount in excess of one thousand five hundred dollars (\$1,500); if the total estimated cost for parts and labor exceeds one thousand five hundred dollars (\$1,500); than five hundred dollars (\$500);~~

**(2) one hundred dollars (\$100) if the total estimated cost for parts and labor is at least five hundred dollars (\$500) and less than one thousand five hundred dollars (\$1,500); or**

**(3) one hundred fifty dollars (\$150) if the total estimated cost for parts and labor is at least one thousand five hundred dollars (\$1,500).**

SECTION 3. IC 24-4-9-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 16. (a) A rental company may not require a deposit or advance charge against the credit card of a renter, in any form, for damage to a rental vehicle that is in the care, custody, or control of the renter or other authorized driver.

(b) A rental company may: ~~not~~

**(1) at the time that care, custody, or control of a rental vehicle is restored to the rental company; and**

**(2) in an amount that may not exceed five hundred dollars (\$500);**

require ~~any~~ payment **by the renter** for damage to the rental vehicle. ~~until~~

(c) After the cost of the damage and liability for the damage **described in subsection (b)** is agreed to between the rental company and renter or is determined under law, **the rental company:**

**(1) may require payment by the renter of any cost of the damage that exceeds five hundred dollars (\$500); and**

**(2) shall refund to the renter any overpayment received from the renter under subsection (b).**

